

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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EU-27

Citrus Semi-annual

2013

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Report Highlights:

Overall citrus production is expected to decline in the EU 27 year-to-year, however the production decline will be smaller than anticipated in the Annual Report ([SP1242](#)). Only grapefruit output is expected to be above last year's figures. Good yields in Greece's citrus crop were not enough to offset the production decline that took place in Italy and Spain. However, quality and caliber is reportedly good in main producing member states, which has had a positive impact in the fresh production channel and producer prices.

Disclaimer: This report presents the situation for citrus (orange juice, oranges, grapefruits, lemons, tangerines, mandarins and other citrus) in the EU-27. This report contains the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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Abbreviations used in this report:

CMO Common Market Organization
EC European Commission
EU European Union
FAS Foreign Agricultural Service
FCOJ Frozen Concentrated Orange Juice
GTA Global Trade Atlas

HS Codes: Harmonized System codes for commodity classification used to calculate trade data

Oranges 080510

Tangerines/Mandarins 080520

Lemons 080550

Grapefruit 080540

Orange Juice 200911, 200912, 200919

MS EU Member State(s)

MT Metric ton (1,000 kg)

TMT Thousand Metric Tons

MMT Million Metric Tons

MY Marketing year

Orange November/October

Tangerine November/October

Lemon November/October

Grapefruit November/October

Other Citrus November/October

Orange Juice November/October

PO Production Organization

PS&D Production, Supply and Demand

USD U.S. Dollar

Oranges

Production

Orange production in the European Union is concentrated in the Mediterranean area. Spain and Italy are the bloc's largest producers representing nearly 80 percent of production. The other 20 percent corresponds to production in Cyprus, Greece and Portugal. While Spain's orange production in MY2012/13 was over previous MY levels, in the EU as a whole a production decline has been recorded for MY2012/13 driven by lower Italian orange output. Spain production represents nearly 50 percent of the EU's oranges production. Fall rains forced farmers to stop harvesting operations, which resulted in a delayed crop. However these precipitations allowed for a better fruit caliber which had a direct

positive impact in retail prices. Another factor which contributed to better farm gate prices was the introduction of very early and very late season varieties, which extends the fruit availability during a longer period, and results in more stable prices throughout the season.

Valencia and Andalucía are the main orange growing regions in Spain. While citrus grove area has been declining in Valencia due to urban pressure, the entering in production of new groves in Andalucía is offsetting the decrease. *Navel* and *Valencia* are the most popular orange varieties in Spain.

In **Italy**, orange production declined by 15 percent compared to the previous season, due to adverse weather conditions such as storms and hail that took place in early spring 2012. Production of red oranges registered a decline of about 30 percent, which increased to 45 percent in the case of late season varieties. Fruit size was reportedly good and quality was excellent. Sicily and Calabria, the main orange-producing areas, account for about 80 percent of Italy’s production.

The main varieties grown in Italy include *Tarocco* (*T.Comune*, *T.Galici*, *T.Gallo*, *T.Scirè*, *T.Nucellare*), *Moro* (*M.Comune* or *M.Nucellare*), *Sanguinello* (*S. Moscato Cuscunà* and *S. Moscato Nucellare*), *Sanguigno*, *Ovale* or *Calabrese*, *Biondo Commune*, *Navelina*, and *Washington Navel*.

Greece’s orange production increased in MY2012/13 compared to the previous season. Peloponnese and Aitolokarnaia (Western Greece) are the main orange-producing areas. *Washington Navel*, *Commons*, *Valencia*, *Navelina*, and *Newhall* are the major orange varieties grown in the country.

Table 1. Major EU Fresh Orange Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	3,114,800	2,801,300	2,933,800
Italy	1,950,000	2,300,000	1,950,000
Greece	901,342	894,560	914,000
Portugal	208,000	205,000	206,300

Source: FAS offices

Consumption

Orange consumption in the EU is expected to remain fairly stable and around 5.2 MMT, which is equal to a 10 kg per capita intake. Consumption of oranges in producing countries has traditionally been over the EU average. For example, in **Spain** the consumption of oranges represented nearly 20 percent of fresh fruit consumption in 2012 and domestic per capita consumption amounted to 20 kg in the same period. In **Italy** a consumption decline is anticipated throughout MY2012/13 due to the lower domestic output, whereas in **Greece** orange consumption is expected to remain steady.

Trade

While the EU is a net importer of oranges, intra-EU trade plays a key role considering that oranges production is concentrated in the Mediterranean area. Other EU countries represent the main destination of production surpluses in the producing countries.

As far as extra EU origins are concerned, South Africa supplies the market in the summer months and then Egypt is the preferred origin until the very early season varieties are available. The main destinations for EU oranges include but are not limited to Switzerland, Serbia, Russia, Norway and Croatia, which will become a EU member in July 2013.

Table 2. EU-27 Imports of Oranges by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
South Africa	413,916	333,584	395,522
Egypt	132,929	101,308	140,012
Morocco	94,013	99,465	82,822
Argentina	87,936	82,654	48,397
Uruguay	70,956	58,276	38,553
Others	158,835	124,333	111,133
Total Imports	958,585	799,620	816,439

Source: GTA

Table 3. EU-27 Exports of Oranges by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Switzerland	58,342	56,019	57,136
Serbia	36,011	43,515	34,788
Russia	21,626	28,479	33,412
Norway	29,289	28,109	28,974
Croatia	22,422	26,903	22,609
Others	104,410	135,428	127,778
Total exports	272,100	318,453	304,697

Source: GTA

Production, Supply and Demand Data Statistics

Table 4. Oranges, Fresh Production, Supply and Demand

Oranges, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	316,158	316,158	317,082	317,082	313,819	313,819
Area Harvested	293,489	293,489	295,110	295,110	293,414	293,414
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	6,204	6,198	5,935	6,225	5,600	6,028
Imports	799	800	812	816	850	800
Total Supply	7,003	6,998	6,747	7,041	6,450	6,828
Exports	317	318	304	305	300	320
Fresh Dom. Consumption	5,322	5,324	5,257	5,540	5,009	5,358
For Processing	1,364	1,356	1,186	1,196	1,141	1,150
Total Distribution	7,003	6,998	6,747	7,041	6,450	6,828
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

Please note: Production for MY2010/12 and MY2011/2012 has been increased in comparison to the 2012 Annual Report estimates due to an update in numbers from Spain, Italy and Greece.

Tangerines/Mandarines, Fresh

Production

Overall EU-27 tangerine production in MY2012/13 has been revised down due to weather-driven sharper than anticipated production declines in Spain and Italy.

Spain's tangerine production was lower than anticipated in the previous report. Current official indicate the production decline compared to previous season's output was over 10 percent. The decline was driven by a drop in Clementine production, whereas Satsuma output in MY2012/13 grew. Good caliber, quality and shorter supply contributed to an improvement of prices received by farmers. While new early and late season varieties continue being developed, concentrated harvest within a few months is still perceived as one of the tangerine/mandarin producers' main concerns.

In **Italy**, tangerine production, which consists of over 80 percent seedless Clementines and nearly 20 percent of mandarins, is expected to decrease by 20 percent compared to the previous season as a consequence of heavy rains that affected Clementine's production in January 2013. On the contrary, mandarin production is expected to register an increase of 10 percent. Quality is good for both Clementines and mandarins. Calabria followed by Sicily and Apulia are the main tangerine-producing areas. *Avana* and *Tardivo di Ciaculli* are the major mandarin varieties grown in Italy. *Comune* or *Oroval*, and *Monreal* are the main Clementine varieties.

Greek tangerine production in MY2012/13 is expected to grow by almost 5 percent due to favorable weather. The main producing areas include the prefectures of Igoumenitsa, Arta, Mosologgi, and Thesprotia, located in northern Greece.

Table 5. Major EU Fresh Tangerines Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	2,196,600	2,115,900	1,881,500
Italy	850,000	770,000	622,500
Greece	109,476	129,249	135,000
Cyprus	82,000	85,400	77,600
Portugal	34,700	34,400	32,300

Source: FAS offices

Consumption

Tangerines in the EU are mainly consumed fresh. EU-27 Tangerine consumption is projected to be below the previous season's levels. Lower output levels in the main producing countries, such as Spain and Italy, along with a slower pace of imports and a lower purchasing power are the main factors behind the consumption decline.

Trade

The European Union Tangerine supply and demand is fairly balanced. While in MY2009/10 and MY2011/12 it was a net importer, in MY2010/11 EU exports exceeded imports. Available data indicate that in MY2012/13 the tangerine net exporter status could be repeated. EU's main tangerine suppliers are Morocco and South Africa. Morocco-EU signed trade agreement allows for a higher export quota for Moroccan agricultural products to the bloc, starting in October 2012, which would ultimately facilitate exports to the Union. Main destination countries for European tangerines include Russia, Ukraine and the United States.

Table 6. EU-27 Imports of Fresh Tangerines by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
Morocco	115,546	87,575	79,338
South Africa	65,063	57,793	69,724
Peru	33,216	41,925	47,955
Turkey	64,894	49,560	44,404
Israel	36,164	29,086	42,615
Others	102,298	78,409	62,530
Total Imports	417,181	344,348	346,566

Source: GTA

Table 7. EU-27 Exports of Fresh Tangerines by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Russia	59,350	91,154	100,448
Ukraine	27,292	54,716	55,670
United States	46,091	62,247	45,459
Switzerland	38,965	37,660	40,387
Belarus	19,071	30,383	25,479
Others	76,701	88,805	107,944
Total exports	267,470	364,965	375,387

Source: GTA

Production, Supply and Demand Data Statistics

Table 8. Tangerines/Mandarines, Fresh Production, Supply and Demand

Tangerines/Mandarins, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	174,122	174,122	171,303	171,303	168,989	168,989
Area Harvested	160,291	160,291	157,224	157,224	155,194	155,194
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	3,187	3,245	3,161	3,100	2,911	2,709
Imports	344	334	348	346	347	320
Total Supply	3,531	3,579	3,509	3,446	3,258	3,029
Exports	365	364	371	375	375	360
Fresh Dom. Consumption	2,674	2,720	2,770	2,702	2,523	2,349
For Processing	492	495	368	369	360	320
Total Distribution	3,531	3,579	3,509	3,446	3,258	3,029

HECTARES, 1000 TREES, 1000 MT

Source: FAS Offices

Please note: Production for MY2010/12 and MY2011/2012 has been increased in comparison to the 2012 Annual Report estimates due to an update in numbers from Italy and Greece.

Lemons, Fresh

Production

At the EU level, lemon production in MY2012/13 is estimated at 1.32 MMT, which means nearly an 8 percent decline compared to previous season. While the trend is the same as indicated in the annual, figures have been revised up driven by Italy's revised figures.

According to official estimates, **Spain's** lemon production in MY2012/13 would amount to 625,700 MT, registering a significant drop (12 percent) in comparison to previous season levels as a response to poor precipitation levels. However, timely rains in Fall (October, November) contributed to improve

fruit caliber. Ailimpo, the Spanish Lemon and Grapefruit inter-professional association, reports the same drop in production, however, a disparity continues to exist between official data and industry’s production estimates. According to industry, lemon production in MY2012/13 would have reached 850,000 MT. The shorter lemon supply directly impacted in prices received by farmers, who obtained positive returns after a few years with negative income balances. MY2012/13 resulted in positive returns for farmers.

Murcia and Valencia are the largest lemon producing regions in Spain despite the stiff competition by other soil uses. Andalucía (provinces of Malaga and Almería) continue to gain importance by increased production area. According to Ailimpo (the inter-profesional association for lemon and grapefruit), *Fino* (representing 70 percent of lemon production) and *Verna* (about 30 percent) are Spain’s main lemon varieties. Their harvest period runs from September until March in the case of *Fino* and from March to July in the case of *Verna* which allows for all year round lemons supply. In MY2012/13 the *Fino* harvest was extended until late April as the beginning of the harvest was delayed due to weather conditions.

Lemon production in **Italy** is expected to decrease slightly but quality is expected to be good. Lemon-producing area is progressively decreasing: higher input costs and lower prices have negatively affected crop profitability Sicily remains the largest lemon producing area concentrating over 86 percent of Italy’s lemon production. *Femminello Commune* (*F. Zagara Bianca, F. Siracusano, F. S.Teresa, Monachello, and Interdonato*) are the main lemon varieties grown in Italy.

Greek lemon production in MY2012/13 is expected to remain stable. The main lemon-producing areas include the prefectures of Korinthos, Achaia, Piraeus, and Ilias, located in northern Greece. The major lemon variety grown in Greece is Maglini, whose fruit is strongly aromatic, with a quite sour juice, which is marketed from December to May and from September to November after artificial ripening.

Table 9. Major EU Fresh Lemons Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	717,900	715,100	625,700
Italy	575,000	620,000	595,000
Greece	58,000	66,123	67,000
Cyprus	16,000	18,000	18,000
Portugal	13,132	13,000	12,600

Source: FAS offices

Consumption

EU lemon production primary use is the fresh market while processing is a secondary destination. Good

market conditions for fresh lemons reduced deliveries for processing throughout MY2012/13.

Trade

The EU is a net importer of lemons, with Argentina and Turkey being the main suppliers. Within the EU, as lemon production is concentrated in the Mediterranean Countries, intra-EU trade is significant. Other EU countries are the main destination for Spanish, Italian and Greek lemons production. In addition to other EU Member States, the main EU lemon recipient countries include Russia, Switzerland, Ukraine, Croatia and Norway. Lower ending stocks in the Southern Hemisphere producing countries (Argentina, Uruguay and South Africa) allowed for an increased pace of exports throughout the first half of MY2012/13. Also, the shorter supply in Turkey resulted in increased presence of EU lemons in Eastern Markets (Russia, Ukraine).

Table 10. EU-27 Imports of Lemons by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
Argentina	182,184	159,668	180,541
Turkey	128,376	113,543	93,048
Brazil	56,775	56,538	61,446
South Africa	45,796	45,074	40,557
Mexico	24,913	27,287	35,022
Others	32,843	18,580	22,337
Total Imports	470,887	420,690	432,951

Source: GTA

Table 11. EU-27 Exports of Lemons by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Russia	24,526	21,474	32,491
Switzerland	13,447	14,281	14,987
Ukraine	6,211	4,645	11,505
Croatia	5,443	7,636	7,689
Norway	3,340	3,839	4,394
Others	13,678	16,240	28,482
Total exports	66,645	68,115	99,548

Source: GTA

Production, Supply and Demand Data Statistics

Table 12. Lemons/Limes, Fresh Production, Supply and Demand

Lemons/Limes, Fresh EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	84,865	84,865	81,812	81,812	78,937	78,937
Area Harvested	76,844	76,844	74,853	74,853	73,520	73,520
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	1,272	1,380	1,270	1,432	1,154	1,318
Imports	421	421	430	432	440	420
Total Supply	1,693	1,801	1,700	1,864	1,594	1,738
Exports	68	68	100	99	95	105
Fresh Dom. Consumption	1,296	1,386	1,286	1,412	1,250	1,307
For Processing	329	347	314	353	249	326
Total Distribution	1,693	1,801	1,700	1,864	1,594	1,738

HECTARES, 1000 TREES, 1000 MT

Source: FAS Offices

Please note: Production for MY2010/12 and MY2011/2012 has been increased in comparison to the 2012 Annual Report estimates due to an update in numbers from Italy and Greece.

Grapefruit, Fresh

Production

Overall EU-27 grapefruit production is estimated at 93,000 MT, which is an increase over previous years and estimates.

Spain's grapefruit production, which is mainly concentrated in Murcia, is expected to increase in MY2012/13 driving the overall EU-27 production up. Grapefruit production in **Italy** and **Greece** is stable. **Greek's** prefectures of Corinth and Kavala, the region of Thessaly, and the island of Crete are the major grapefruit-producing areas.

Table 13. Major EU Grapefruit Producers by Volume in MT

Country	MY 2010/11	MY 2011/12	MY 2012/13
Spain	46,800	46,900	56,100
Cyprus	23,000	20,000	18,000

Italy	7,125	7,122	7,000
Greece	5,512	11,765	11,500
Portugal	208	200	210

Source: FAS offices

Consumption

Grapefruit consumption, which is mainly met by imports, is expected to remain stable, being fresh consumption the preferred option.

Trade

The EU-27 is a net importer of grapefruits with imports largely exceeding exports. Turkey, South Africa, China, Israel and the United States are the EU's main grapefruit suppliers to the EU. Grapefruit exports are rather small, being Russia, Belarus and Switzerland the main destinations.

Table 14. EU-27 Imports of Grapefruits by Origin in MT

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
Turkey	75,623	64,257	84,170
South Africa	79,071	93,876	74,500
China	73,102	50,324	68,720
Israel	61,275	39,743	51,553
United States	57,889	54,232	44,740
Others	41,639	45,880	29,958
Total Imports	388,599	348,312	353,641

Source: GTA

Table 15. EU-27 Exports of Grapefruits by Destination in MT

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Russia	8,386	6,361	6,471
Belarus	2,090	1,996	2,175
Switzerland	2,392	2,317	1,911
Ukraine	1,605	2,464	1,876
Croatia	1,272	1,663	1,223
Others	5,833	5,621	5,089
Total exports	21,578	20,422	18,745

Source: GTA

Production, Supply and Demand Data Statistics

Table 16. Grapefruit, Fresh Production, Supply and Demand

Grapefruit, Fresh EU-27	2010/2011	2011/2012	2012/2013
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	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	2,773	2,773	2,506	2,506	2,548	2,548
Area Harvested	2,346	2,346	2,119	2,119	2,155	2,155
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
Total No. Of Trees	0	0	0	0	0	0
Production	88	83	88	86	90	93
Imports	348	348	354	353	330	330
Total Supply	436	431	442	439	420	423
Exports	20	20	19	19	20	20
Fresh Dom. Consumption	385	380	392	389	370	373
For Processing	31	31	31	31	30	30
Total Distribution	436	431	442	439	420	423
HECTARES, 1000 TREES, 1000 MT						

Source: FAS Offices

Orange Juice

Production

In the EU-27 production of oranges is primarily intended for the fresh market as the margins are better. The volume devoted for processing depends on the final crop quality and quantity. Production of orange juice has been revised up, compared to previous estimates as a consequence of an overall higher than anticipated EU-27 orange production in MY2011/12 and MY2012/13.

Consumption

Despite the declining purchasing power and the competition from other non-alcoholic drinks, orange juice consumption is projected to be stable in MY2012/13 as a result of lower orange juice exports than anticipated along with the increased domestic production.

Trade

The EU-27 is a net importer of orange juice, with imports largely exceeding exports. Brazil continues to be by far the main orange juice supplier to the European Union accounting for nearly 85 percent of total imports. Main EU-27 orange juice destinations include Saudi Arabia, Switzerland and Algeria.

Table 17. EU-27 Imports of Orange Juice by Origin in MT (Brix 65)

Country of Origin	MY 2009/10	MY 2010/11	MY 2011/12
Brazil	681,392	547,965	590,344
United States	27,566	56,780	20,868
Israel	10,360	12,155	9,173

Argentina	5,840	6,408	5,935
Others	68,993	62,580	56,001
Total Imports	794,151	685,888	682,322

Source: GTA and FAS estimates

Table 18. EU-27 Exports of Orange Juice by Origin in MT (Brix 65)

Country of Destination	MY 2009/10	MY 2010/11	MY 2011/12
Saudi Arabia	5,449	7,967	7,129
Switzerland	5,860	5,905	5,590
Algeria	4,307	3,220	5,080
Japan	1,660	1,706	2,384
Norway	2,969	2,712	2,267
Russia	1,381	1,414	1,620
Others	22,238	24,268	27,731
Total exports	43,864	47,191	51,801

Source: GTA and FAS estimates

Production, Supply and Demand Data Statistics

Table 20. Orange Juice Production, Supply and Demand

Orange Juice EU-27	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Nov 2010		Market Year Begin: Nov 2011		Market Year Begin: Nov 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,363,883	1,355,979	1,186,500	1,196,000	1,141,078	1,150,000
Beginning Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Production	105,731	105,118	91,980	92,716	88,459	89,150
Imports	687,934	685,888	683,602	682,322	690,000	685,000
Total Supply	808,665	806,006	790,582	790,038	793,459	789,150
Exports	49,382	47,191	54,745	51,801	55,000	50,800
Domestic Consumption	744,283	743,815	720,837	723,237	723,459	723,350
Ending Stocks	15,000	15,000	15,000	15,000	15,000	15,000
Total Distribution	808,665	806,006	790,582	790,038	793,459	789,150
MT						

Source: FAS Offices

EU Policy

Common Market Organization (CMO)

The Common Market Organization (CMO) for fruit and vegetables was reformed in 2007, and the new arrangements were incorporated into the [Single CMO Regulation](#) (Council Regulation (EC) No 1234/2007) by [Council Regulation \(EC\) No 361/2008](#). Implementing rules for the fruit and vegetables sector are provided by [Commission Implementing Regulation \(EU\) 543/2011](#) as amended.

The fruit and vegetable market management scheme aims to:

a. Create a more competitive and market-oriented sector

This is achieved through encouraging growers to join Producer Organizations (POs). POs are legal entities established by producers with the aim of marketing commodities including citrus fruit. The EU is of the view that grouping supply through POs strengthens the producers' position in the market in the face of increasing concentration of demand. Operational programs implemented by recognized POs are supported through an EU funding contribution. As a general rule, the EU financial assistance is limited to 50 percent of the total operational fund, but in specific cases it may be raised to 60 percent. The remainder of the funding is financed by the PO.

In regions where producers have not formed POs to a significant degree, national governments may provide national funding over and above the operational fund. This may, in some instances, be partially reimbursed by the EU.

Product quality is promoted through the application of marketing standards and supporting operational program measures that improve or maintain product quality. The ten specific marketing standards, one of which applying to citrus fruits, define "*sound, fair and (of) marketable quality*", and apply simplified and rationalized checking operations.

b. Diminish crisis-related fluctuations in producers' income

To achieve this objective, EU funding is offered under the following operational programs:

- Product withdrawal (withdrawing products from the market and not putting them up for sale);
- Green harvesting (totally harvesting non-marketable (but not damaged) products before the normal harvest)/non-harvesting (not taking any commercial production from the cultivated area during the normal production cycle);
- Promotion/communication tools;
- Training ;
- Harvest insurance (EU funding is available for harvest insurance managed by a PO to help safeguard members' incomes and cover market losses caused by natural disasters, climatic events, diseases or pest infestations);
- Assistance to secure bank loans, and support for administrative costs associated with setting up mutual funds.

c. Encourage increased consumption of fruit and vegetables in the EU

An EU-wide voluntary **School Fruit Scheme** (SFS), aiming to encourage good eating habits in young people, provides school children with fruit and vegetables. Besides providing fruit and vegetables the scheme requires participating Member States to set up strategies including educational and awareness-raising initiatives.

In March, 2013, the Commission adopted its [Implementing Decision](#) fixing EU fund allocation for the distribution of fruit and vegetables in schools under the SFS for the 2013/2014 school year. Twenty four Member States (plus Croatia on accession) have decided to participate in the program for the coming year with only Sweden, Finland and the UK opting out. Out of the Euro 89 million EU funds available, the main beneficiaries of the scheme in 2013/2014 will be Italy (Euro 20.5 million), Poland (Euro 13.6 million), Germany (Euro 12 million), Romania (Euro 4.9 million), France (Euro 4.7 million), Hungary (Euro 4.5 million), Spain (Euro 4.4 million), and the Czech Republic (Euro 4.2 million). The scheme is co-financed, meaning that EU funds must be matched by national contributions.

EU funding is available for growers who withdraw produce from the market within the framework of crisis management (see b) above). The most generous funding is for **free distribution of fruit and vegetables** to:

- Recognized charitable bodies and foundations to help the disadvantaged;
- Penal institutions, schools/public education institutions, children’s holiday camps, hospitals, and old people’s homes.

The EU funds 100 percent of free distribution for quantities up to 5 percent of the PO’s total marketed volume.

- d. Increase the use of environmentally friendly cultivation and production techniques

At least 10 percent of operational program funding must be spent on environmental actions that go beyond mandatory environmental standards. More specifically, the environmental actions must go beyond:

- Cross-compliance requirements;
- Minimum national legal requirements for fertilizer and plant protection product use;
- Other relevant national legal requirements.

Member States with recognized POs must draw up a National Framework for Environmental Actions (NEF) as part of their “national strategy for sustainable operational program”. The NEF must contain a non-exhaustive list of environmental actions and the conditions applicable to them in the Member State concerned.

Certification of Fruit Shipments

Phytosanitary certificates issued by APHIS are required to accompany fruit and vegetable shipments to the United States. APHIS issues phytosanitary certificates in accordance with international regulations established by the International Plant Protection Convention of the Food and Agriculture Organization of the United Nations. This standard-setting body coordinates cooperation between nations to control plant and plant product pests and to prevent their spread.

[Council Directive 2000/29/EC](#) provides for compulsory plant health checks. These include documentary, identity, and physical plant health checks to verify compliance with EU import requirements. [Commission Regulation 1756/2004](#) provides for plant health checks to be carried out at

reduced frequency when justified. The list of products recommended for plant health checks at reduced levels was updated June 29, 2011.

Maximum Residue Level for Fruit

Maximum Residue Levels (MRLs) for pesticides, including import tolerances, have been harmonized throughout the EU since September 2008. As a marketing tool, some retail chains in the EU adopt private standards that exceed EU regulations by requiring their suppliers to adhere to stricter company policies that limit the maximum residues to 30, 50, or 70 percent of the respective EU MRL.

Details may be found in the Commission's DG Health and Consumers' [EU MRL database](#) for the EU, and USDA's [International MRL database](#) for MRLs worldwide.

Tariffs

Imports of fresh fruit and vegetables are subject to the Entry Price System (EPS) which has been in place in its current form since the Uruguay Round of the GATT. This system provides a high level of protection to EU producers. Fruit and vegetables imported at or above an established entry price are charged an *ad valorem* duty only. Produce valued below the entry price are charged a tariff equivalent in addition to the *ad valorem* duty. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The *ad valorem* duty and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price.

The United States tends to sell high quality products at higher prices which typically do not face additional duties. Tariff levels to be applied from January 1, 2013 onwards are published in Commission Implementing [Regulation 927/2012](#). The tariffs for citrus fruit remain unchanged compared to 2012 levels. Tariffs for oranges, tangerines, lemons, grapefruit and other citrus fruit are detailed on page 96 for, while the tariff for orange juice is found on page 165.